

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 834 - HB 1445

February 20, 2023

SUMMARY OF BILL: Prohibits a public postsecondary institution that provides internet access to students, faculty, staff, or the general public from allowing an individual to access a video platform using the institution's network if the platform is owned by a company headquartered outside of the United States.

FISCAL IMPACT:

Increase State Expenditures – Exceeds \$8,400,000/FY23-24/LGIs
Exceeds \$500,000/FY23-24/UT System
Exceeds \$500,000/FY23-24/TBR

Assumptions:

- The proposed legislation does not provide the definition of video platform and one is not found in Tennessee Code. It is assumed that a video platform is a video hosting service, that enables users to upload, convert, store and play back video content on the internet.
- The Tennessee Board of Regents (TBR), University of Tennessee (UT), and each of the locally governed institutions (LGIs) host several software video platforms which provide online integrated learning management systems (LMS) or other services to their students, faculty and staff; some of these include, but are not limited to: D2L, Disguise, Ross Video, SAP, and Nokia which are all provided by companies outside the United States.
- In particular TBR and each of the LGI's use D2L which is a Canadian based LMS; therefore, a new LMS would need to be acquired.
- Based on information provided by Middle Tennessee State University the cost of the new software and migration of existing software would exceed \$1,200,000.
- Based on information provided by ETSU the one-time replacement cost for software will be \$1,500,000 in FY23-24.
- Based on information provided by Austin Peay the one-time replacement cost for software will be \$1,500,000 in FY23-24.
- The total one-time cost for half of the six LGIs is estimated to exceed \$4,200,000 (\$1,200,000 + \$1,500,000 + \$1,500,000) in FY23-24.
- It is reasonably assumed that TSU, Memphis, and Tennessee Tech will experience similar costs for new software. The total increase in state expenditure for LGIs in FY23-24 is estimated to exceed \$8,400,000 (\$4,200,000 x 2).

SB 834 - HB 1445

- Based on information provided by UT, the one-time replacement cost for software will exceed \$500,000 in FY23-24.
- The one-time increase in state expenditures for TBR is estimated to exceed \$500,000 in FY23-24.
- Ongoing maintenance costs may vary; however, it is reasonably assumed that future maintenance costs will be roughly the same as current maintenance costs; therefore, any fiscal impact in FY24-25 and subsequent years is not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/lm